



# American Foreign Service Association

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**TESTIMONY BEFORE THE HOUSE INTERNATIONAL RELATIONS COMMITTEE'S  
SUBCOMMITTEE ON HUMAN RIGHTS, AFRICA, AND  
INTERNATIONAL OPERATIONS  
BY LOUISE K. CRANE, VICE PRESIDENT OF  
THE AMERICAN FOREIGN SERVICE ASSOCIATION**

April 14, 2005

Mr. Chairman and members of the Subcommittee,

On behalf of the American Foreign Service Association and the 23,000 active-duty and retired members of the Foreign Service, I thank you for the opportunity to share our views and concerns as you review the Foreign Relations Authorization Act.

Mr. Chairman, I know I am preaching to the choir, but I wish to say, for the record, that the American Foreign Service Association considers the Foreign Relations Authorization Act very serious and important legislation. We deeply regret having gone for two years without authorizing legislation in this area. We have seen important programs like the Millennium Challenge initiative, the creation of the Office of the Coordinator for Reconstruction and Stabilization, and the HIV/AIDS initiative find their origins in appropriations legislation. The Foreign Service and foreign affairs agencies are just as much a part of our national security system as the armed services and Department of Defense. We serve on the front lines of this country's defense together. We both advance national interests abroad, and both protect our country from foreign threats, be they hostile nations, international terrorism, international crime and illegal drug cartels, efforts to manipulate international trade, or the myriad of other threats to our nation and our people.

This authorization bill establishes funding levels covering our foreign affairs agencies, and the tools of diplomacy. Most importantly, it provides Congressional input into the foreign policy that shapes our nation's role in the international arena. We congratulate and thank this committee and the House of Representatives for passing such a bill every year for the past several years. We hope this year we will be able to congratulate the Congress for enacting a Foreign Relations Authorization Act on its own terms and look forward to the time when the actual enactment of this bill will become as regular an occurrence as the passage of the Defense Department's authorization bill.

## **ADMINISTRATION FUNDING REQUEST.**

I would like to provide the perspective of the men and women of the Foreign Service regarding the Administration's funding request and personnel proposals.

AFSA fully supports the request for the State Department's operating and embassy

security accounts, and considers these minimum level requests. These funding levels will build on important initiatives started by Secretary of State Powell to improve the foreign affairs infrastructure. Only four short years ago, organizations like the Stimson Center, the Council on Foreign Relations, AFSA, and many others agreed that “The United States’ overseas presence, which has provided the essential underpinnings of U.S. foreign policy for many decades, is near a state of crisis.” We need to continue funding operation and security accounts to avert this crisis.

DIPLOMATIC AND CONSULAR PROGRAMS. AFSA fully supports the Administration’s request for 221-additional generalist positions and an additional 55 security professionals for FY06. These requests are continuations of the Diplomatic Readiness Initiative (DRI) initiated by Secretary Powell in FY 2001, aiming over three years, to fill an identified staffing shortage of almost 1200 people. Without the necessary Civil and Foreign Service employees, our offices and overseas posts fell below critical mass, and, in too many cases, became dysfunctional. With Congress’s support, we have filled these positions. However, both the FY05 and the current FY06 requests provide for further personnel increases above attrition.

However, the 1,158-staff shortage that prompted DRI was a pre-9/11 measurement. That world changed quickly and dramatically on September 11, 2001. Immediately, Foreign Service professionals found themselves facing new requirements. We had to change our missions’ priorities and sometimes leave vacant those positions that DRI expansion was meant to fill. The new demands continue, from staffing embassies in Iraq and Afghanistan and new liaison and regional offices, to the staffing of security and support positions required by the expansion. At the same time, additional personnel is still needed to meet the original pre-9/11 targets. For instance, we still need a 15% training float so that we do not have to choose between training and leaving a position unfilled. Additional personnel is still essential.

INFORMATION TECHNOLOGY FUNDS. AFSA also fully supports the Administration’s important IT Central Fund request of \$249 million. Those who are new to the Department, cannot imagine the outmoded information systems at the Department a few years ago. It was the world of the WANG machine, a 1970s format that made the Department a joke in the IT world. Today we have modern computers at our desks, e-mail, and access to the worldwide web. Great strides have been made but there is still a distance to go, and we will need continuing resources to ensure that our information infrastructure remains abreast of all the technological advances. An up-to-date IT infrastructure is critical for our overseas missions. Again, AFSA fully endorses this request.

EMBASSY SECURITY. Mr. Chairman, AFSA appreciates the important role you personally, and this Subcommittee played in getting the necessary funding and legislation to begin securing our embassy soon after the bombings of our embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania. At that time, AFSA testified with Admiral William Crowe about the new threat environment created by international terrorists and the need for a coordinated, thorough response. I am pleased to report that the Department has made great progress, and that Congress has played an essential role in meeting the Administration’s worldwide security funding requests. Further, the recent Capital Security Cost Sharing program halves the estimated construction time for the remaining new posts and embassies.

**SOFT TARGET SECURITY CONCERNS.** With improved security at our overseas posts, we are concerned that terrorists have expanded their reach to include “soft targets,” a euphemism for attacks against us, our spouses and our children as we live at our posts and missions abroad. These are attacks against the schools our children attend and the school busses they ride, against our homes, the recreation centers and churches we attend, and the places we shop and dine as we live our daily lives. AFSA has received the assistance of Senate appropriators, particularly Senator Judd Gregg. We believe this issue should also be a matter for authorizers in their oversight capacity, and we urge the Subcommittee to consider the increasing danger to our Foreign Service and their families posed by terrorist focus on soft targets.

**TITLE III PERSONNEL ISSUES.** Beyond the funding issues, Mr. Chairman, we would like to address provisions in “Title III – Organization and Personnel of the Department of State.” I would like to submit for this Subcommittee’s consideration, AFSA’s views on provisions in the Administration’s request, and in the Senate Foreign Relations Committee bill, S. 600.

There are five areas I would like to highlight for the Subcommittee:

1. **PAY DISPARITY.** First among AFSA’s issues, and requiring an authorization, is the elimination of the pay disparity existing for mid and entry-level Foreign Service employees serving in Washington and their colleagues serving abroad. AFSA requests an amendment to the 1980 Foreign Service Act, to create a category termed “Overseas Comparability Pay” which will provide Foreign Service employees overseas with the same salary they would receive if they were assigned to Washington, D.C.

This year, this morale-breaking pay disparity, a consequence of the Federal Employees Compensation Act of 1990, translates into a 15.98% reduction in the salary of a mid-level Foreign Service Employee the moment she boards a plane to her next assignment. AFSA has calculated that a Foreign Service generalist who joined the Service in 1995, who serves a standard 27-year career, and leaves the Service at the rank of FSO -01, will lose over \$440,000 in salary and retirement benefits compared with his counterpart who stayed in Washington the entire time. Certainly money is not the main attraction for serving in the Foreign Service, but this increasing pay disparity damages Service morale, and will make it more difficult for the department to staff many of its hardest-to-fill posts. The pay gap widens annually as the locality pay increase averages slightly more than 1% a year for federal employees working in Washington, D.C.

This disparity unintentionally negates the differentials provided to compensate for danger and hardship. Twenty years ago, 35 U.S. overseas posts were classified as “greatest hardship” at the maximum 25% differential rate. Today, 75 posts in 62 different countries are at the maximum rate, reflecting increasingly dangerous and harsh conditions in many parts of the world. The disparity between Washington, D.C. salaries and those overseas has caused these differentials to lose their effect, essentially reducing the amount of differential paid. For instance, non-senior State Department employees stationed in the most difficult environments in the world receive only 9 percent more pay than their colleagues in Washington, D.C, a far cry from the 25% incentive intended by the Overseas Differentials and Allowances Act (P.L. 86-707).

There is also the negative effect on the morale of our overseas colleagues when they know that the salaries of members of the Senior Foreign Service at their post as well as their counterparts in the intelligence agencies posted abroad all receive Washington D.C. level salaries. In 1993, when the Defense Intelligence Agency announced it was raising the salaries of its employees posted overseas to that of their Washington colleagues, it explained the move by saying it did not want the lower overseas salaries to provide a disincentive for overseas service. In light of these disparities, AFSA asks, "Why are we penalizing our lower-rank Foreign Service employees for their overseas service?" They are already making a considerable sacrifice in the lack of spousal employment in a dual income society, in inadequate schooling for their children and exposing their families to inadequate health care.

Some have suggested that comparability could be at the "rest of U.S." level, which is lower than the Washington, D.C. rate. The vast majority of Foreign Service personnel serving in the continental United States are posted in the Washington, D.C. area. A true comparison of pay disparity should therefore be with the Washington area. AFSA believes that comparability at less than the Washington, D.C.-area rate will continue to reduce the salary and benefits each member of the Foreign Service receives, will undermine the system of allowances and incentives for service in difficult and dangerous posts, adversely affecting both morale and staffing of those posts.

The Department of State's personnel managers privately recognize the inequity of this pay system, but will not publicly say so to the committee because they have been muzzled by Office of Management and Budget. OMB's decision is not to approve any move to make up the salary difference to those serving abroad.

AFSA requests that the existing pay disparity be eliminated by amending the 1980 Foreign Service Act to create an Overseas Comparability Pay system equal to the locality pay provided to federal employees in the Washington, D.C. area to begin in FY 07.

2. RAISING DANGER AND HARDSHIP DIFFERENTIALS Another issue you won't hear the Department's officials mention publicly, but privately they would like to have it, is an increase in the ceilings of both hardship and danger pay differentials from 25% to 35%. OMB only approved increasing the danger pay differential to 35% but not the hardship. However, last year the Foreign Relations Authorization bill passed by this House lifted the cap on both allowances to 35%. We urge you to do so again.

3. REDUCING LOW RANKING REQUIREMENTS Another item not in the Administration's request, but an issue which is very important to AFSA is the lowering of the 5% rule on separation from Foreign Service. The Foreign relations Authorization Act for Fiscal Years 1998 and 1999, Sec. 2311(b) requires the Foreign Service promotion boards to low rank 5% of every class reviewed. If an employee is so ranked two out of five years by two different officials, then the employee can be recommended for separation.

AFSA and the Department of State have struggled for years to implement this rule fairly. This arbitrary rule harms the process of selecting employees for promotion and has a deleterious effect on morale. Its arbitrariness forces the selection boards to low rank people on capricious

grounds unrelated to performance such as a pattern of assignments. AFSA assists employees with grievances based on the promotion panels' misuse of the procedures and procedural errors. For example, in their efforts to meet the quota, boards will repeatedly cite the same passage in an evaluation report. This violates the department's procedures. The resulting grievances are an unnecessary burden on both the employee and the department which cannot defend the boards' actions in an impartial forum.

Selection boards report that low ranking 2-3% of a class is not an issue; however, an arbitrary quota of 5% results in unwarranted grievances and poor morale.

AFSA urges the committee to adopt AFSA's proposal to amend PL 105-277 to lower the percentage of mandatory low ranking from 5% to 2%. This will enhance morale and reduce the number of time-consuming and ultimately successful grievances.

4. STRENGTHENING THE AUTHORITY OF THE FOREIGN SERVICE GRIEVANCE BOARD. In the Foreign Service Personnel System, the Foreign Service Grievance Board (FSGB) plays an important role in employee-management dispute adjudication similar to the role filled by the Merit System Protection Board (MSPB) for the Civil Service. We believe the FSGB's authority should be expanded in several areas to provide Foreign Service employees the same protections provided to the Civil Service.

Beyond the restoration of Interim Relief authority in the Administration's request, AFSA requests four additional authorities to be provided to the Foreign Service Grievance Board. We believe that

- a. The FSGB, like the Merit Systems Protections Board, should have the authority to enforce its decisions,
- b. The FSGB Interim Relief authority should be expanded to provide stays in cases involving the collection of alleged overpayments of annuities,
- c. The FSGB should have the authority to adjudicate cases regarding the operation of a Foreign Service Reduction in force. Currently the authority over a RIF is split between the FSGB and the MSPB but the MSPB has neither the experience nor case history regarding a RIF in the Foreign Service, and
- d. The FSGB should have the authority to issue subpoenas requiring testimony and documents from witnesses who are either currently in the active Service or who are not directly under the control of the agency involved in a grievance.

5. DEATH GRATUITY. AFSA requests that the Subcommittee consider a Death Gratuity benefit provided to members of the Foreign Service and other civilian Federal employees working to advance the interests and foreign policy of the United States.

Within the last six years, members of Foreign Service have been killed in Kenya, Tanzania, Jordan, Pakistan, and Iraq. The Foreign Service honors our colleagues killed abroad on two memorial plaques in the diplomatic entrance of the Department of State. There are now 215 names on those plaques, 141 added since the end of World War II. 104 of those named died from terrorist attacks or hostile action. Sadly, we will be adding three more names to the memorial plaque this May during Foreign Affairs Day.

In recognition of the increasingly dangerous nature of civilian service abroad, we ask the Subcommittee to add provisions increasing the death benefit for members of the Foreign Service and other civilian Federal employees working to advance the interests and foreign policy of this nation. Recently the FY 05 Supplemental Appropriations legislation, H.R. 1268 increased the death gratuity for our military. AFSA fully supported this increase. But, when our federal employees are killed abroad, their families suffer the same hardship as families who lose a member of the armed services and they too need assistance. AFSA has read the statements of the widows of employees killed in the 1983 bombing of the U.S. embassy in Beirut. They all told of the great difficulty they had in relocating their families back to the United States, the financial constraints they were under and the special difficulty they encountered in finding employment. Because they had been overseas for some years, they had not worked and had not built that network of contacts so many employment counselors say is critical for finding employment.

Further, many other U.S. agencies such as the Department of the Treasury and the Department of Justice use the embassies as platforms for their own international work, but their personnel are not covered under the death gratuity provision in the Foreign Service Act.

AFSA is requesting this provision on behalf of the specialists and junior officers of the Foreign Service. The mean rank of a Foreign Service employee today is a 03 Step 4 with base pay of \$64,302. Survivors of our lowest-paid employees will most need the increased death gratuity as they work to overcome the death of their loved one and resettle in the U.S. The State Department's Office of Casualty Assistance notes that families of those killed in Nairobi and Dar es Salaam encountered very high initial expenses while awaiting benefits under the Federal Employees Compensation Program. The families of federal employees killed in the line of duty overseas must relocate to the United States and pay the additional costs associated with moving to a new community, finding housing, and establishing a household. AFSA believes this is the least we can do to help survivors of our Foreign Service and other federal civilian employees who are killed in the line of duty serving this Nation.

Mr. Chairman and members of this Subcommittee, the men and women of the Foreign Service are proud to serve our country. Their skills and dedication determine the success or failure of our foreign policy and the security of our nation. Winning on the battlefield is vital, but we must also win and secure peace. The decisions you make with this bill will not only affect the lives of the members of the Foreign Service, but will determine whether our country's representatives will have the resources to achieve our foreign policy goals. Today, engagement in the world is not a choice. It is a necessity. Our choice is simply "how well will we do the job given us." Your action will determine whether or not we will have the tools to do our job of protecting our country even better.

Mr. Chairman and members of the Subcommittee, thank you again for allowing me to share the views of the Foreign Service as you begin the process of developing the Foreign Relations Authorization Act.